

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN JOHN BRUEGGEMAN**, on January 29, 2003
at 8:05 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:

Rep. John Brueggeman, Chairman (R)
Sen. Rick Laible, Vice Chairman (R)
Sen. Gregory D. Barkus (R)
Sen. Mike Cooney (D)
Rep. Monica Lindeen (D)
Rep. John Sinrud (R)

Members Excused: None.

Members Absent: None.

Staff Present: Matt Bugni, OBPP
Amy Sassano, OBPP
Misty Shea, Committee Secretary
Lynn Zanto, Legislative Branch

Please Note: Tape stamps indicate information that is found below. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: Judiciary(district court
assumption), 1/29/2003
Executive Action: none

030129JGH_Hm1.wpd

{Tape: 1; Side: A; Approx. Time Counter: 0 - 12}

The committee began with the decision packages(DP) for program four district court operations being introduced by **Lisa Smith, Administrative Services Director of The Supreme Court of Montana.** This information is found on Page A-41 of the Agency Budget Analysis Book where the Legislative Fiscal Division(LFD) mentions without district court assumption the District Court budget increases approximately \$1.0 million per year over fiscal 2002 actual expenditures. **Lisa Smith** added, \$1.3 million of that is district court judges' salaries set in statute based on surrounding state averages. The Supreme Court of Montana has no control in this area.

SEN. COONEY clarified for the committee how the legislature decided roughly eight years ago to base salary on surveys and averages. DP 4001 Pay Plan Implementation is specifically related to assumption, it is to develop and implement a branch-wide classification and compensation plan. DP 4002 Federal Building Rent would cover an unanticipated expense of office space for 8.50 FTE in the 2003 biennium as office space in the capital complex is not available and rent off of the complex is more costly. DP 4003 Annualize Operating Costs for New Judges. In the last session two new judges were added, one in Ravalli County and one in Cascade. Operating costs were not in the base and that is why an adjustment is requested.

A discussion followed between **Ms. Smith** and **SEN. LAIBLE** about state district court costs and reimbursements as presented in the prior days hearing.(Refer to Exhibit 3 brown sheet and Exhibit 4 Section 5 of January 28, 2003.)

{Tape: 1; Side: A; Approx. Time Counter: 12 - 20}

CHAIRMAN BRUEGGEMAN stated that the counties were present and he would like to know what they have to say in regard to what the judiciary has proposed and potential legislation. **Gordon Morris, Director of the Montana Association of Counties(MACO),** introduced **MACO President Carol Brooker, Commissioner from Sanders County** who is with him. **Mr. Morris** said he thought the original request(\$17.2 million more than the executive budget) by Karla

Gray was in contrast with the thoughts of MACO from a historical perspective. What they are now looking at does not compare with the creation of the reimbursement program in 1985 until fiscal year 2002 where fees collected from motor vehicles were used for reimbursements. Now all of the money from the motor vehicles is going to the state and into the general fund to go back to the Supreme Court for purposes of reimbursing counties for criminal expenses. Reimbursements were limited to criminal court cases, jury and witness fees, public defender expenses, guardian ad litem, involuntary commitments, and psychiatric evaluations. **Mr. Morris** said typically the motor vehicle money has generated anywhere from \$6.4 million and until 2001 the submitted reimbursements based upon court criminal activity were funded at 100%. The problem is were the counties submittals done correctly. **Mr. Morris** stated he had his doubts about them being fully accountable in regards to requests and what was really eligible. **Mr. Morris** said MACO had just closed the books on fiscal year 2002 and reimbursements were paid at slightly below 80%. In 2002 they had \$5.7 million for reimbursements to start with, in 2003 they have \$7.2 million his figure.

In the new proposal from Justice Gray, \$7.5 million is what will be available for both years of the coming biennium. The question is will that backfill the reimbursement program 100%. The assumption is that they are better off under Justice Gray's new proposal. MACO wants state assumption to work and they are giving up the language in SB 176 that would require the State to pay all district court costs rather than being reimbursed only to the extent of money being available. This will continue through the next biennium.

Mr. Morris referred to all that is being done as a gamble and commended Justice Gray for bringing her proposal to the committee. He also said Silver Bow, Flathead, Missoula, Cascade, and Yellowstone were the counties he had spoken to thus far and they were basically in support of what was being proposed. **Mr. Morris** stated he assumed with the proposal in place the court would be given approximately \$12.5 million operational budget for state assumption purposes and he would be looking at a variable account with \$7.5 million in it. He added what MACO is doing to help assumption along demonstrates how much they want it to work.

{Tape: 1; Side: A; Approx. Time Counter: 20 - 30}

SEN. BARKUS asked during the process of initiating district court assumption, what was MACO's position. **Mr. Morris** replied that the passage of SB 176 which enacted state assumption of district courts was supported by MACO. He added that though there were mixed emotions at the time, in hindsight most of the MACO members agree it was the right thing to do. A brief discussion between the committee and Mr. Morris followed regarding the aftermath of passage SB 176 and its companion HB 124. Highlights were court management and reporting, county perspectives, and the origination of district court assumption as a thought. **Mr. Morris** emphasized that the courts need staff because they are backlogged by no fault of anybody. He urged the committee to support the additional 2.25 FTE's for that purpose. A comparative salary request was provided to the committee to follow information provided in the hearing the day before.

EXHIBIT (jgh19a01)

{Tape: 1; Side: B; Approx. Time Counter: 0 - 13}

REP. LINDEEN addressed the idea of another option to district court assumption which is to repeal it and she asked Mr. Morris what that would mean to the counties. **Mr. Morris** responded that it would put the burden back on local government taxpayers and that then property taxes would be funding the courts. The position of MACO is that is inappropriate. **Mr. Morris** said the whole point to district court assumption is to spread the cost across state and county lines and he thinks they are close to getting there.

SEN. LAIBLE asked Lisa Smith to clarify if eight FTE's were received by the Office of the Supreme Court at the onset of SB 176 to manage it. **Lisa Smith** replied, yes they did. (For additional information see Page A-17 the of Budget Analysis Book.)

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND
TRANSPORTATION

January 29, 2003

PAGE 5 of 6

REP. SINRUD asked if once the office was caught up would they be able to handle the workload without additional support staff.

Lisa Smith did not think so and explained that there is much more than just processing to do.

CHAIRMAN BRUEGGEMAN stated it was his intention to look at the Judiciary's proposal as a committee bill. A short discussion followed between the committee and the LFD staffer regarding the taking of executive action that is pending. **Carol Brooker, MACO Director Sanders County**, commented from a rural county standpoint that she could not imagine any counties wanting district court back due to the friction and problems that arose from it. **REP. LINDEEN** stated that she would like to talk to her counties about this before the committee goes any further. **SEN. LAIBLE** asked **Lynn Zanto, of the LFD** what the total Judiciary budget would be in the end. **Lynn Zanto, Lisa Smith, and CHAIRMAN BRUEGGEMAN** went over the numbers and concluded at \$66 million (\$61 General Fund \$5-6 state and federal special revenue).

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND
TRANSPORTATION

January 29, 2003

PAGE 6 of 6

ADJOURNMENT

Adjournment: 8:55 A.M.

REP. JOHN BRUEGGEMAN, Chairman

MISTY SHEA, Secretary

JB/MS

EXHIBIT (jgh19aad)

030129JGH_Hm1.wpd